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TAGS: [PGOV](#) [PINR](#) [PREL](#) [CI](#)
SUBJECT: TWO TIME PRESIDENTIAL CANDIDATE LAVIN LIKELY TO
LET CUP PASS IN 2009

Classified By: E/Pol Counselor Juan A. Alsace, for reasons 1.4 (b) and (d).

Summary

¶1. (C) Joaquin Lavin, who narrowly lost the 1999 second round presidential election (to Ricardo Lagos), and then was bested again in the 2005 first round (by fellow Aliancista Sebastian Pinera and eventual winner Michelle Bachelet), told the Ambassador he will not run in 2009, clearing the path for Pinera to run as the consensus right-wing candidate. He predicted Concertacion would run either the Socialist Lagos or Christian Democrat (DC) Soledad Alvear, both of whom Pinera would beat by "four to five percent." End summary.

¶2. (U) The Ambassador, accompanied by E/Pol Counselor, called on Lavin March 18, at his office at the Universidad de Desarrollo, where he directs its Center for Public Policy. Besides being a two-time presidential candidate, Lavin has been a popular mayor of Santiago (2000-2004) and remains a prominent voice within the Union Democratica Independiente (UDI), one of two parties (the other is Renovacion Nacional (RN)) making up the center-right opposition.

Chile "Stable," Political Forces in Balance

¶3. (C) Lavin described Chile as a country where both free market principles and democratic values are well established. While there remains a lingering sense that the right is still associated with Pinochet, that is changing. The majority of Chileans recognize that the center-right has embraced democracy; likewise, most view the center-left as having accepted the market economy. The success of the post-Pinochet transition has been in returning Chile to a traditional balance between two moderate political forces, with little space for populism left or right. That said, the center-left maintained a slight advantage in correlation of forces, which helped explain Concertacion's nearly twenty-year hold on power. Chile still needs to make profound changes, however, particularly in improving educational standards but also in decentralization and dispersing authority to regions. Chile, Lavin argued, is in stasis, and needs to make a "qualitative leap" to compete in the world.

¶4. (C) Lavin said he liked President Bachelet but that "she isn't doing a good job," failing to put to good use Chile's

copper export-generated wealth. He attributed this to "Concertacion fatigue" after twenty years in power. Concertacion is also "less united" with individuals, such as renegade Senator Adolfo Zaldívar, pursuing private political ambitions. (Note: Zaldívar was expelled from the DC after making allegations of corruption against Alvear and the party leadership, as well as abandoning Concertacion on a key vote to fund the troubled Trasantiago mass transit system. He is now an independent and was just elected President of the Senate, in part due to opposition support.) Concertacion's internal difficulties left it vulnerable.

Pinera Will Be Alianza's Standard Bearer

¶5. (C) While the December 2009 presidential election would be "close," Lavin was confident Alianza, led by Pinera would win, a change in power ("alternancia") that would be good for a healthy democracy. He thought Concertacion would put up either Lagos or Alvear (assuming she could resolve DC internal disputes) against Pinera and that Pinera would beat either by "four or five percent." When E/Pol Counselor asked "What about Joaquin Lavin, whose numbers have been up in recent polls?," Lavin paused for a moment, smiled, and then said that after two (failed) tries, he would not run in 2009. He would prefer to give Pinera a clean shot and then perhaps run in 2013 (Pinera, if he won, would not be able to succeed himself). Moreover, if he ran in the first round again, the Alianza vote for its parliamentary candidates in 2009 could be fractured and so prejudiced under Chile's complex binomial electoral system. Lavin did not comment on press reports that he is considering running for the Senate, another yet-to-be-defined municipal slot, or a return engagement as mayor.

¶6. (C) The Ambassador asked if Alianza would run a positive campaign with policy prescriptions for Chile or one focused on Concertacion's alleged failings. Lavin replied there were many in UDI who preferred a "hard campaign" but he was counseling a more moderate approach, given that should Alianza gain power it would still have to work with Concertacion in what would likely be a closely divided

parliament. Lavin agreed with E/Pol Counselor's observation that the center-right faced a difficult task in differentiating itself from the center-left or in proposing bold new initiatives, given national consensus on what are Chile's key challenges. What Alianza will do, he said, is offer effective and even profound change in areas such as education. In response to the Ambassador, Lavin also noted he would not expect Alianza to make significant changes in Chile's foreign policy, although it would focus more on relations with Latin America.

Comment

¶7. (C) Should Lavin stay out of the race, then it's near certain Pinera will be the sole candidate on the right. As Lavin correctly noted "Who else is UDI going to put up besides me?" UDI Senator Pablo Longueira, another leading UDI figure with presidential ambitions, wisely withdrew his name after seeing his poll numbers hovering around 1 percent. While support for Pinera amongst UDI hardliners is tepid at best, the fact Pinera might be able to consider his right flank closed would be a tactical advantage going into the 2009 campaign against a divided Concertacion. Pinera's biggest challenge may be, as Lavin acknowledged, to convince Chileans that the right offers something more than a merely technical change. End summary.
SIMONS